International Student Trends in the Vocational Education and Training Sector 2001 to 2011

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International Student Trends in the Vocational Education and Training Sector 2001 to 2011

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INTRODUCTION

International education in Australia had its origins in the Colombo Plans of the 1950s, where developing nations were given aid in the form of scholarships to study at Australian Universities. While education by scholarship continues, in the 1980s, international education became open to any student who was able to pay full fees for a course and who met entrance requirements.

For the past 25 years, Australian education institutions (including universities, public and private vocational education providers, schools and specialist English language training providers) have engaged with the world by both providing their educational expertise offshore and in accepting students from other countries into their courses in Australia. In 1985 when full-fees for non-local students were introduced, no limits were placed on student numbers for overseas students. This policy move created a market-based approach where universities and other education providers could set their own fee structure and make their own decisions regarding investment in marketing, recruiting, infrastructure, student support and teaching.

The next big policy change came in 2005 to immigration policy, where pathways to permanent residency were made available through skilled training in areas of need. As a result of this change, the number of international students coming to Australia increased significantly.

In 2009, after several years of steady growth, the number of students studying in Australia, and in particular, the VET (vocational education and training) sector started to decline. Factors such as changes to skilled migration policy leading to fewer pathways, the high Australian dollar, increase in competition from other countries negative media exposure and student welfare concerns, and restrictive visa conditions such as increased financial demonstration requirements in some markets, all contributed to the decline. In order to address some of these issues, the government commissioned the Knight Review in late 2010. The resulting 42 recommendations were all accepted by the government in September 2011 and are currently being implemented. The full impact of these changes will still take some time to take effect.

This publication presents information on international students in the Australian education system and in particular the VET sector (onshore and offshore) for 2005 to 2010/11. The data is provided as actual number of students or number of ‘commencements’. According to AEI (Australian Education International, part of an Australian government department), a ‘commencement’ is a new student enrolment in a particular course at a particular institution.

Victorian TAFE International (VTI) is an association of the public VET providers in the State of Victoria, Australia. It comprises 13 publicly owned TAFE (Technical and Further Education) institutes and 3 dual sector universities. It has commissioned this data report to provide a comprehensive overview of the trends in international student commencements in Australia (both students coming onshore to Australia and Australian VET courses offered offshore).
KEY POINTS

The total number of students commencing onshore across all education sectors in Australia grew 126.8% from 160,700 in 2002 to 364,430 in 2009 before declining to 298,139 in 2011.

VET students onshore:

- Prior to 2008, the higher education sector had the largest share of onshore international students. But in 2008, VET market share surpassed higher education for the first time and has continued to have the greatest share of any sector between 2008 and 2011.
- The total number of students commencing VET onshore in Australia grew 387% from 24,356 in 2002 to 118,622 in 2009 before declining to 98,444 in 2011.
- The significant growth in VET commencements onshore across Australia, particularly between 2006 and 2009, comprised almost entirely of growth in the private VET sector, and predominantly in Indian student numbers.
- In Victoria, VET commencements grew from 12,463 in 2006 to 39,652 in 2009 before declining to 31,424 in 2011. The bulk of the growth was in the private VET sector with 82.6% and 82.1% of total commencements in 2009 and 2011 respectively being private VET.
- In 2010, International full fee paying students onshore comprise only 2.5% of all public VET students in Australia, down from 2.8% in 2009.

VET students offshore:

- The number of students undertaking VET courses offshore grew 254.3% from 18,291 in 2003 to 64,813 in 2009 before declining for the first time in 2010 to 63,307.
- China continues to host the greatest number of offshore VET students; 67.4% of total offshore students in 2004 were in China, growing to 80.7% in 2007 then gradually declining to 73.6% in 2010.
- Public providers from Victoria continue to have the largest share of all offshore VET students; 72.4% and 70.7% of all offshore commencements in 2009 and 2010 were with Victorian TAFE providers.
3.1 All education sector commencements in Australia

Figure 1 shows the total international student onshore commencements at Australian institutions by sector from 2004 to 2011.

Between 2004 and 2006, commencements of international students across all sectors onshore in Australian institutions increased by 18% from 176,029 in 2004 to 207,732 in 2006. Commencement numbers increased significantly between 2006 and 2009 to 364,430 in 2009.

After six years of good growth, commencement numbers declined for the first time in 2010 by -10.3% to 326,869, with further decline of -8.8% in 2011 to 298,139.

Commencements in the Higher Education sector grew between 2004 and 2009 then declined marginally in 2010 and 2011 by -0.4% and -4.7% respectively.

Commencements in the VET sector continued to grow strongly between 2004 and 2009, declining for the first time in 2010 and 2011 by -10.1% and -7.7% respectively.

[* The total number of commencements in 2002, across all sectors was 160,700, VET sector 24,356; these figures not shown on graph.]
Figure 2 shows the percentage market share for overall commencements by sector from 2004 to 2011.

Market share for the Higher Education sector across Australia declined steadily between 2004 and 2008, than started to grow marginally from 27.8% in 2009 to 32.3% in 2011.

The market share for VET grew from 14.4% in 2004 to 19.7% in 2006 then increased steadily from 24.3% in 2007 to 33.0% in 2011.

VET market share surpassed Higher Education for the first time in 2008 and has continued to have the greatest share of any sector to 2011.

Market share for the ELICOS sector has continued to decline from 31.2% in 2007 to 24.3% in 2011.

Market share for the School and Other sectors has largely continued to decline since 2004.
3.2 All education sector commencements in Victoria

Figure 3 shows the overall commencements onshore in Victoria by sector for 2004 to 2011.

Commencements of international students across all sectors in Victoria grew strongly from 45,566 in 2004 to 105,961 in 2009 (growth of 132.5%) before declining to 90,000 in 2010 and 82,776 in 2011.

Despite the overall decline, the proportion of commencements in the VET sector has remained relatively unchanged over the last three years in Victoria, at 37.4% in 2009, 37.9% in 2010 and 37.9% in 2011.
Figure 4 shows commencements onshore in Victoria by sector and provider type from 2004 to 2011.

**Figure 4**

**Overall commencements in Victoria by sector and provider type**

2004 – 2011

Higher education commencements make up the largest component for public providers in Victoria comprising 60.8% of all public provider commencements in 2010.

For private providers, commencements in VET and schools comprised the largest share in 2010 of 61.8% and 24.8% respectively.

VET sector commencements grew significantly for private providers in Victoria from 4,163 in 2005 to 32,767 in 2009 then declined to 25,796 in 2011. The growth in public sector VET has been more modest than in private sector VET.
4.1 VET commencements in Australia

Figure 5 shows the commencements onshore in Australia in the VET sector by provider type from 2004 to 2011.

Total commencements in VET students onshore across all Australian institutions grew relatively modestly in 2004 and 2005. Numbers started to grow strongly from 40,875 in 2006 to 118,622 in 2009. VET commencements declined for the first time in 2010 by -10.1% to 106,660 and continued to decline further in by -7.7% 98,444 in 2011.

Figure 5 shows the substantial growth in VET commencements since 2004 has occurred in the private VET sector, not the public TAFE providers.

In 2004, 71.2% of students were enrolled at a private provider institution. By 2011 the number of students enrolled at private institutions has grown to 86.5%.
Figure 6 shows VET commencements onshore in Australia by state and provider type from 2004 to 2011.

**Figure 6**
Overall commencements in VET in Australia by state and provider type
2004 – 2011

VET commencements for public provider institutions grew marginally between 2004 and 2008 before declining from 2009 onwards.

Commencement numbers for Private (Non-government) providers grew significantly between 2004 and 2009 in all states before declining in 2010 and 2011.

Between 2001 and 2011, commencement numbers declined in the private sector across all states with the largest declines in Victoria (-21.3%), Queensland (-13.7%) and NSW (-8.8%).
Figure 7 shows the total VET commencements onshore in Australia by nationality and provider type for 2004 to 2011.

**Figure 7**

**Overall commencements in VET in Australia by nationality (top 5) and provider type 2004 – 2011**

The top five source countries for VET commencements at public provider institutions in 2011 were China, Vietnam, South Korea, India and the Philippines. Collectively they accounted for 47.4% of all public provider VET commencements.

The top five source countries for private VET provider institutions in 2011 were India, China, Thailand, South Korea and Nepal, collectively accounting for 60.9% of all private provider VET commencements.

The number of VET students from India at private provider institutions increased significantly between 2005 and 2009. In 2009 they accounted for 41.9% of all VET private provider commencements. By 2011 India’s share had declined to 32.0%.
Total commencements in VET students onshore across all Australian institutions grew relatively modestly in 2004 and 2005. Numbers started to grow strongly from 40,875 in 2006 to 118,622 in 2009 (+190.2%). VET commencements declined for the first time in 2010 by -10.1% to 106,660 and continued to decline further in by -7.7% 98,444 in 2011 (a decline of 17.0% between 2009 and 2011).

VET commencements in Victoria grew at a more rapid rate, increasing by 218.2% between 2006 and 2009 before declining by 20.8% between 2009 and 2011.

Victoria’s proportion of decline between 2009 and 2011 was greater than the proportion for Australia.
4.2 VET commencements in Victoria

Figure 9 shows the VET commencements onshore in Victoria by provider type for 2004 to 2011.

Total commencements in VET students onshore across both private and public sector in Victoria grew relatively modestly in 2004 and 2005. Numbers started to grow strongly from 12,463 in 2006 to 39,652 in 2009. Then commencements declined for the first time in 2010 by -13.9% to 34,145 and continued to decline further by -8.0% to 31,424 in 2011.

Figure 9 shows the substantial growth in VET commencements since 2004 has occurred in the private VET sector, not the public TAFE providers; the proportion of students enrolled at a private provider institution has continued to increase steadily from 2,320 in 2004 (42.6% of total) to peak at 39,652 in 2009 (82.6% of total) before declining to 34,145 (81.2%) and 31,424 (82.1%) in 2010 and 2011 respectively.
Figure 10 shows VET commencements onshore in Victoria by nationality and provider type from 2004 to 2011.

VET commencements for India for public providers in Victoria started to decline in 2008 following a brief peak in 2007. [This is referring to plot on left]

On the other hand, VET commencements for India for private providers increased significantly from 1,157 in 2005 to 19,967 in 2009 before diving to 15,691 in 2010 and 13,320 in 2011. [referring to plot on right]

Commencement numbers for Pakistan have been on the increase for private providers since 2004.
5.1 Offshore VET by Public Providers in Australia

Figure 11 shows the total number of students in offshore public VET from 2003 to 2010.

The number of students undertaking public VET courses offshore grew steadily from 18,291 in 2003 to 30,894 in 2006. Numbers grew significantly between 2007 and 2009 to 43,953 and 64,813 before declining for the first time in 2010 to 63,307.
Figure 12 shows the number of Offshore VET students by state or territory of provider from 2005 to 2010.

**Figure 12**

Number of Offshore Public VET Students by state or territory of provider, 2003 – 2010

Public providers from Victoria continue to have the largest share of all offshore VET students; 72.4% in 2009 and 70.7% in 2010.

Only NSW and Queensland had a growth in offshore VET student numbers in 2010 of 0.9% and 12.4% respectively. All other states/territories declined: Victoria by 6.1%, Western Australia by 9.1% and ‘other states’ by 1.6%.

The overall decrease in the number of students from 2009 to 2010 is largely due to a change in enrolment procedures in one course, where students are now enrolled in one calendar year instead of across two years. This also accounts for the decrease in students based in China and studying non-award courses. Taking this into account we can summarise that public offshore VET has had a steady growth in Victoria.
Figure 13 shows the total number of students in Offshore VET by country from 2003 to 2010.

China has continued to host the greatest number of offshore VET students.

The proportion of Chinese students increased from 67.4% in 2004 to 80.7% in 2007 before declining gradually to 73.6% in 2010.

Student numbers for Kuwait (although from a small base) have been on the increase since 2004.
6.1 Australian Public VET enrolments – domestic and international

Figure 14 shows the total number of students enrolled in public VET onshore by state from 2005 to 2010.

The total number of (domestic and international) students enrolled in public VET onshore increased by 5.4% to 1.8 million students in 2010.

NSW, Victoria and Queensland continue to host the largest number of students onshore.
Figure 15 shows the total number of students enrolled in public VET onshore by provider type from 2005 to 2010.

**Figure 15**

*Number of students enrolled in public VET by provider type, 2005 – 2010*

*Source: NCVER National VET Provider Collection*

In 2010, the number of students enrolled at ‘TAFE and other government providers’ and ‘Other registered providers’ increased by 2.0% and 34.0% respectively, while numbers at ‘Community education providers’ declined by 10.5%.

Figure 16 shows the total number of students enrolled in public VET onshore by type of funding from 2005 to 2010.

**Figure 16**

*Onshore VET students by type of funding, 2005 – 2010*

*Source: NCVER National VET Provider Collection*
Figure 16 shows that international full fee paying students in public VET comprise a very small percentage of all public VET students in Australia. In 2009 International full-fee paying students comprised 2.5% of all VET students onshore (down from 2.8% in 2009).

International full-fee paying students declined for the first time in 2010 by 5.5% from 47,600 in 2009 to 45,000 following strong growth in previous years (+14.2% in 2008 and 21.2% in 2009).

6.2 Victorian Public VET enrolments – domestic and international

Figure 17 shows onshore enrolment numbers for Victorian VET institutions in 2010

![Figure 17: Onshore enrolment numbers for Victorian VET institutions in 2010](image)
DIAC VISA DATA

Figure 18 shows the total number of DIAC VET (visa subclass 572) student visa lodgements and grants by month from January 2008 to December 2011.

**Figure 18**

VET visa lodgements and grants by month, Jan 2008 to Dec 2011

Australia

Source: Department of Immigration & Citizenship (DIAC)

The total number of VET visa grants and lodgements grew strongly between January 2008 and December 2010. As a result of changes to migration policy the number of visa lodgements and grants declined significantly by 43% and 53% respectively between December 2010 and March 2011. [The black line on the chart is total visa grants].

Much of the decline in VET visas was in the lodgements and grants offshore while the onshore lodgements and grants remained relatively steady. Onshore visas are visas granted to students already in Australia who wish to undertake further study.

Visas granted offshore (overseas) for students to study in Australian VET courses declined significantly in the December 2011 quarter.

Over the last six months to December 2011 onshore visa grants have started to increase again, although not at the same levels as seen in 2010.
VET students studying onshore in Australia are generally granted the VET visa (visa sub-class 572) if purely doing a VET course or with a higher education visa (subclass 573) for packaged courses (i.e. if undertaking a HE course after completing VET).

Figure 19 shows the total number of student visa granted for the VET visa (visa subclass 572) for the top five source countries from 2004-05 to 2010-11.

![Figure 19: Visa grants for VET sector (subclass 572) by country (top 5) 2004-05 to 2010-11](image)

**Source:** DIAC Student Visa Trends report BR0109

Between 2004-05 and 2008-09 the number of VET visas granted to Indian students had phenomenal growth of over 3500%, growing from just over 1000 visa grants in 2004-05 to 36,744 grants in 2008-09. Grant numbers then declined significantly by 51.2% to 17,941 in 2009-10 and then grew marginally by 8.9% to 19,546 in 2010-11.

Visa grants for the other four main source countries grew steadily between 2004-05 and 2008-09 then started to decline in 2009-10 and 2010-11.
Figure 20 show the education export revenue into Australia by sector from international student fees.

Revenue from fees for the VET sector declined between 2000-01 and 2004-05, then started to grow between 2004-05 and 2009-10.

Source: ABS catalogue 5368.0.055.003.
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